

**BRIDGEVIEW COMMUNITY MENTAL
HEALTH CENTER
CLINTON, IOWA**

**FINANCIAL REPORT
June 30, 2009**

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

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BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Board of Directors

Name	Title	Term Expires
Lewis Todtz	President	June 09
Tom Lyons	Vice President	June 10
Jennifer Graf	Secretary-Treasurer	June 10
RuthAnn Papke	Member	June 09
Patty Bradley	Member	June 10
Pat Cullen	Member	June 09
Jill Davisson	Member	June 09
Marcia Christensen	Executive Director	Indefinite



Sitrick & Associates, LLC *Certified Public Accountants*
2543 Tech Drive ♦ Bettendorf, Iowa 52722 ♦ Telephone 563-332-8288 FAX 563-332-8456

Sheldon S. Sitrick, CPA (1954 - 1988)
John N. Sherrick, CPA
James K. Blake, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bridgeview Community Mental Health Center
Clinton, Iowa

We have audited the accompanying statement of financial position of Bridgeview Community Mental Health Center as of June 30, 2009 and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Bridgeview Community Mental Health Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridgeview Community Mental Health Center as of June 30, 2009 and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2009, on our consideration of Bridgeview Community Mental Health Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Sitrick & Associates
SITRICK & ASSOCIATES, LLC
Certified Public Accountants

September 21, 2009
Bettendorf, Iowa

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Financial Position

June 30, 2009

Assets:

Current Assets:

Cash	\$	314,983	
Certificates of Deposits		608,510	
Accounts Receivable		221,950	
Grants Receivable		<u>21,492</u>	
Total Current			\$ 1,166,935

Property and Equipment:

Office Furniture and Equipment		120,506	
Less: Accumulated Depreciation		<u>(32,210)</u>	
Total Property and Equipment			88,296

Other Assets:

Other Intangible Assets		300	
Less: Accumulated Amortization		<u>(300)</u>	
Total Other Assets			<u>-</u>

Total Assets			<u><u>\$ 1,255,231</u></u>
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Liabilities:

Current Liabilities:

Accounts Payable	\$	55,680	
Other Accrued Expenses		65,305	
Accrued Wages		<u>126,090</u>	
Total Current Liabilities			<u>247,075</u>

Total Liabilities			247,075
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Net Assets:

Unrestricted			<u>1,008,156</u>
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Total Liabilities and Net Assets			<u><u>\$ 1,255,231</u></u>
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BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Activities For the Year Ended June 30, 2009

	2009		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support:			
Service Fees:			
State	\$ -	\$ -	\$ -
County	1,109,559		1,109,559
Habitation	101,404		101,404
Medicare	352,118		352,118
Medicaid	1,006,858		1,006,858
Private Insurance	704,560		704,560
Self Pay	98,772		98,772
Less Adjustments	(859,291)		(859,291)
Grants, Contracts, Fees	214,300		214,300
Donations	5,250		5,250
Other	<u>13,139</u>	<u>-</u>	<u>13,139</u>
Total Revenue and Support	<u>2,746,669</u>	<u>-</u>	<u>2,746,669</u>
Expenses:			
Program Expenses			
Independent Living	299,564		299,564
School SAT	165,881		165,881
School Contracts	100,382		100,382
Clinical	806,277		806,277
Medical	418,875		418,875
Hospital	106,684		106,684
DeWitt	<u>7,961</u>	<u>-</u>	<u>7,961</u>
	1,905,624	-	1,905,624
General and Administrative	<u>579,356</u>	<u>-</u>	<u>579,356</u>
Total Expenses	<u>2,484,980</u>	<u>-</u>	<u>2,484,980</u>
Change in Net Assets	261,689	-	261,689
Net Assets Beginning of Year	<u>746,467</u>	<u>-</u>	<u>746,467</u>
Net Assets End of Year	<u>\$ 1,008,156</u>	<u>\$ -</u>	<u>\$ 1,008,156</u>

The Notes to Financial Statements are an integral part of this statement

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Cash Flows For the Year Ended to June 30, 2009

Cash flows from (used in) Operating Activities:	
Excess of revenue over expenses	\$ 261,689
Adjustments to reconcile change in assets to net cash from operating activities:	
Depreciation	13,618
Decrease (increase) in operating assets:	
Accounts Receivable	33,007
Other Receivables	(14,454)
Increase (decrease) in Operating Liabilities:	
Accounts payable	43,534
Other accrued expenses	7,267
Accrued wages.	<u>17,444</u>
Net cash flows from Operating Activities	<u>362,105</u>
Cash Flows from (used in) Investing Activities:	
Purchase of Furniture & Equipment	<u>(48,397)</u>
Net Cash Used in Investing Activities	<u>(48,397)</u>
Cash Flows from (used in) Financing Activities:	
Repayment of Notes	<u>-</u>
Net Cash Provided by Financing Activities	<u>-</u>
Net (Decrease) Increase in Cash	313,708
Cash Beginning of Year	<u>609,785</u>
Cash End of Year	<u>\$ 923,493</u>

The Notes to Financial Statements are an integral part of this statement

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Functional Expenses
For the Year Ended June 30, 2009

PROGRAM SERVICES

	Independent Living	School SAT	School Contracts	Clinical	Medical	Hospital	DeWitt	Program Services	General & Administrative	Total
Salaries and Wages	\$ 185,058	\$ 128,597	\$ 78,272	\$ 593,101	\$ 298,706	\$ 84,743	\$ 6,039	\$ 1,374,516	\$ 304,908	\$ 1,679,424
Payroll Taxes	14,862	10,284	6,502	46,929	16,747	3,437	473	99,234	24,707	123,941
Employee Benefits	51,310	13,371	12,929	105,726	29,208	4,234	675	217,453	73,013	290,466
Insurance	-	-	-	131	3,596	2,398	-	6,125	10,003	16,128
Advertising	-	-	-	-	-	-	-	-	26,961	26,961
Staff Development	1,380	667	405	11,144	10,730	9,450	-	33,776	695	34,471
Dues, Fees, Licenses	-	616	58	1,939	2,315	1,543	-	6,471	5,806	12,277
Rent, Utilities, Phone	22,055	7,861	-	31,100	10,661	-	660	72,337	35,078	107,415
Supplies	11,176	833	19	12,131	3,305	27	-	27,491	33,648	61,139
Professional Services	2,407	27	12	1,909	43,187	852	-	48,394	41,678	90,072
Equipment	2,474	469	-	2,053	420	-	-	5,416	8,312	13,728
Mileage	8,842	3,156	2,185	114	-	-	114	14,411	929	15,340
Interest	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	13,618	13,618
Total Expenses	\$ 299,564	\$ 165,881	\$ 100,382	\$ 806,277	\$ 418,875	\$ 106,684	\$ 7,961	\$ 1,905,624	\$ 579,356	\$ 2,484,980

The Notes to Financial Statements are an integral part of this statement.

Sitrick & Associates, LLC
Certified Public Accountants

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Notes to Financial Statements

June 30, 2009

Note 1 - Summary of Significant Accounting Policies

Nature of Activities - Bridgeview Community Mental Health Center (Center) provides comprehensive, caring, quality mental health services to individuals in Clinton County, Iowa and surrounding areas. As such, the Organization is subject to the business risk associated with that industry in the Clinton County, Iowa area.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, Medicaid/Medicare, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Fixed Assets - Fixed assets acquired by Bridgeview Community Mental Health Center through restricted grant contributions are considered to be owned by Bridgeview Community Mental Health Center. Some funding sources may have a reversionary interest in the property as well as the determination of use of any proceeds from the sale of these assets.

Bridgeview Community Mental Health Center follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment in excess of \$500. Depreciation or amortization of all such items is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Furniture and equipment	5-7 years
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BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Notes to Financial Statements

June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Contributions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Bridgeview Community Mental Health Center had no temporarily or permanently restricted net assets in 2009.

Service Revenues – Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors. And others for services rendered, including estimate retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future period as final settlements are determined.

Income Taxes - The Organization is exempt from income taxes as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and under state income tax code.

Compensated Absences – The Center employees accumulate a limited amount of earned but unused vacation and personal day benefits payable to the employee. Amounts representing the cost of compensated absences are recorded as liabilities and have been computed based on current rates of pay.

Contributed Services - During the year ended June 30, 2009 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. No Fund-raising expenses are included in general and administrative expenses.

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Notes to Financial Statements

June 30, 2009

Note 2 - Property and Equipment

Fixed Assets are summarized as follows:

2009

Office equipment	\$ 91,664
Vehicles	<u>28,842</u>
Accumulated Depreciation	<u>(32,210)</u>
	<u>\$ 88,296</u>

Note 3 – Accounts Receivable

Accounts receivable of the Center on June 30, 2009 totaled \$374,490. Based on past collection experience, management has provided for an allowance for adjustments and doubtful accounts of \$152,540 of the receivable balance.

Note 4 – Revenue

Approximately 48 percent of 2009 revenue was derived under federal and state third-party reimbursement programs. These revenues are based in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Note 5 – Economic Dependence

The Center receives a substantial amount of its support from local county government. A significant reduction in the level of this support, if this were to occur, may have an effect on the Center's programs and activities. A large portion of the Center's revenue from patient fees are paid by third-party reimbursement whereby patients qualify for funding through title XIX of the Federal Social Security Act. Changes in the level of funding for this program could have a considerable effect on the patients' ability to pay for services provided.

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Notes to Financial Statements

June 30, 2009

Note 6 – Leases

As of June 30, 2009, the Center had entered into various noncancelable operating lease agreements for the rental of office and residential facilities, expiring from August 2008 to June 2011. Minimum rentals, on an annual basis, are as follows:

Fiscal year ending June 30, 2010	\$	62,694
2011		51,390
Thereafter		-
		<u>\$ 114,084</u>

Note 7 – Retirement Plan

The Center has a defined contribution 401(k) retirement plan for substantially all full time employees. The employer match contribution to the plan equals 100% of the first 3% of gross pay that an employee contributes to the plan and 50% of the employees next 2% of gross pay that an employee contribute to the plan. The amount included in the expenses for the year ended June 30, 2009 is approximately \$57,291.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Bridgeview Community Mental Health Center
Clinton, Iowa

We have audited the financial statements of Bridgeview Community Mental Health Center (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated September 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Bridgeview Community Mental Health Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bridgeview Community Mental Health Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

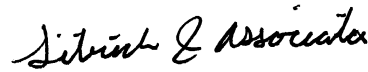
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bridgeview Community Mental Health Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

September 21, 2009
Bettendorf, Iowa


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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Bridgeview Community Mental Health Center

Our report on our audit of the financial statements of Bridgeview Community Mental Health Center June 30, 2009 appears on page 2. The audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of Income and Expenses by department are presented for additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sitrick & Associates
SITRICK & ASSOCIATES, LLC
Certified Public Accountants

September 21, 2009
Bettendorf, Iowa

BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Schedule of Income and Expenses by Department

For the Year Ended June 30, 2009

	Independent Living	School SAT	School Contracts	Clinical	Medical
Revenue:					
County	\$ 39,923	\$ 73,920	\$ -	\$ 695,624	\$ 289,937
Habitation	101,404	-	-	-	-
Medicare	-	-	-	242,942	81,309
Medicaid	203,340	171,465	-	466,654	136,035
Private Insurance	3,254	73,395	-	521,462	85,305
Self Pay	-	4,125	-	59,263	23,705
Less Adjustments	-	(88,204)	-	(601,912)	(131,132)
Grants, Contracts, Fees	29,960	17,857	140,290	26,058	135
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenue & Support	<u>377,881</u>	<u>252,558</u>	<u>140,290</u>	<u>1,410,091</u>	<u>485,294</u>
Expenses:					
Salaries and Wages	\$ 185,058	\$ 128,597	\$ 78,272	\$ 593,101	\$ 298,706
Payroll Taxes	14,862	10,284	6,502	46,929	16,747
Employee Benefits	51,310	13,371	12,929	105,726	29,208
Insurance	-	-	-	131	3,596
Advertising	-	-	-	-	-
Staff Development	1,380	667	405	11,144	10,730
Dues, Fees, Licenses	-	616	58	1,939	2,315
Rent, Utilities, Phone	22,055	7,861	-	31,100	10,661
Supplies	11,176	833	19	12,131	3,305
Professional Services	2,407	27	12	1,909	43,187
Equipment	2,474	469	-	2,053	420
Mileage	8,842	3,156	2,185	114	-
Depreciation	-	-	-	-	-
Total Expenses	<u>299,564</u>	<u>165,881</u>	<u>100,382</u>	<u>806,277</u>	<u>418,875</u>
Net Revenue	<u>\$ 78,317</u>	<u>\$ 86,677</u>	<u>\$ 39,908</u>	<u>\$ 603,814</u>	<u>\$ 66,419</u>

Hospital	DeWitt	General & Administrative	Total
\$ 8,930	\$ 1,225	\$ -	\$ 1,109,559
-	-	-	101,404
25,911	1,956	-	352,118
27,523	1,841	-	1,006,858
20,202	942	-	704,560
9,877	1,802	-	98,772
(35,555)	(2,488)	-	(859,291)
-	-	-	214,300
-	-	5,250	5,250
-	-	13,139	13,139
<u>56,888</u>	<u>5,278</u>	<u>18,389</u>	<u>2,746,669</u>

\$ 84,743	\$ 6,039	\$ 304,908	\$ 1,679,424
3,437	473	24,707	123,941
4,234	675	73,013	290,466
2,398	-	10,003	16,128
-	-	26,961	26,961
9,450	-	695	34,471
1,543	-	5,806	12,277
-	660	35,078	107,415
27	-	33,648	61,139
852	-	41,678	90,072
-	-	8,312	13,728
-	114	929	15,340
-	-	13,618	13,618
<u>106,684</u>	<u>7,961</u>	<u>579,356</u>	<u>2,484,980</u>

\$ (49,796) \$ (2,683) \$ (560,967) \$ 261,689